

Earlier today, the Republican Legislative leadership announced their intention to restore the \$25 million cut made last week to education and to endorse the Governor's K-12 BASE aid proposal. The Governor's proposal increases the basic and per-ANB entitlements by 2% in FY2004 and by 1% in FY2005 and includes a decrease in the direct state aid percentage from 44.7% to 42.6%.

Obviously, the burning question among legislators, educators, and the public is "How will this proposal affect my school's budget?"

We know that you will be asked about the impact on your local district of the various funding proposals facing the legislature. To assist you with evaluating the Governor's and OPI's proposals, my office is preparing spreadsheets so that you can perform your own analysis. It is my hope that you will use find this tool informative for you and the community to understand the effects of the various proposals on your local district.

The FY2004 general fund budget worksheet will be available by January 20 on the OPI website under School Finance. This worksheet will have several tabs that allow you to compute your budget under three scenarios: Current law (i.e. no increase in the basic and per-ANB entitlements), the Governor's proposal, and the OPI proposal. The worksheet will be posted at <http://www.opi.state.mt.us/schoolfinance/budget.html> . Click on Excel Spreadsheets. You will need to estimate your district's ANB count and anticipated revenue amounts to calculate your budget limits and property tax impacts under the three scenarios. There will also be a comparative summary page for you to analyze the impact of the three proposals on your district.

The two tables below show the entitlement amounts that are included in the Governor's proposal and the State Superintendent's proposal.

Governor's Proposal for K-12 BASE Aid			
K-12 Entitlements	FY2003	FY2004	FY2005
Basic Entitlement _ Elementary	\$19,244	\$19,629	\$19,825
Basic Entitlement – High School	\$213,819	\$218,095	\$220,276
Per-ANB Entitlement – Elementary	\$3,906	\$3,984	\$4,024
Per-ANB Entitlement – High School	\$5,205	\$5,309	\$5,362
Direct State Aid %	44.7%	42.6%	42.6%

State Superintendent's Proposal for K-12 BASE Aid			
K-12 Entitlements	FY2003	FY2004	FY2005
Basic Entitlement _	\$19,244	\$20,595	\$21,254

Elementary			
Basic Entitlement – High School	\$213,819	\$228,826	\$236,148
Per-ANB Entitlement – Elementary	\$3,906	\$4,051	\$4,180
Per-ANB Entitlement – High School	\$5,205	\$5,398	\$5,570
Direct State Aid %	44.7%	44.7%	44.7%

At OPI, we are making our best effort to make sure that you have the tools available to estimate the direct impact on your schools. Obviously, OPI produces estimates on statewide impacts, but you know best the circumstances in your local district.

If you have any questions or suggestions about how we can better assist schools to assess the impact of legislative decisions, please contact Madalyn Quinlan at mquinlan@state.mt.us or by phone at 406-444-3168.

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